

**Governor's Commission on Waste, Fraud and Abuse**

Minutes of Meeting held on March 11, 2011

10:00am

Department of Administration, Yahara Room

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**Commission Members Present:** Chairman Rakowski, Mr. Ara Cherchian, Deputy Secretary Archer, Senator Lasee

**Absent:** Senator Larson and Representative Pocan

**Commission Members Excused:** Representative Kerkman

1. Chairman Rakowski called the meeting to order at 10am.
2. The roll was taken.
3. DOA Deputy Division Administrator, David Schmiedicke conducted a PowerPoint presentation on the state budget and finances. This included an overview of Governor Walker's biennial budget and budget repair proposals.
  - Senator Lasee asked about the difference between program revenue and segregated funds. Schmiedicke explained the difference.
  - Deputy Secretary Archer asked about how much in federal recovery act money was being replaced with general purpose revenue in the 2011-2013 budget. The amount was estimated at \$2.2 billion. Deputy Archer also asked about the amount of state debt that has accumulated over the years. Schmiedicke said it has risen from roughly 3 to 5 percent over the last decade.
  - Ara Cherchian asked about state debt dollar amounts. Schmiedicke said it has doubled over the last decade to roughly \$10 billion. Mr. Cherchian asked about the debt in the unemployment fund. Schmiedicke responded that it has risen to \$1.6 billion, but that it is funded outside of the biennial budget. Mr. Cherchian asked about Medicaid trends and Schmiedicke responded that the growth in cost is due to program expansions and the economy.
  - Chairman Rakowski asked about the transportation borrowing to balance budgets in the past. Schmiedicke responded that the borrowing amounted to \$1 billion and caused transportation projects to be delayed and was a one-time fix that had long-term costs. Chairman Rakowski also asked about the Governor's student information system project in the biennial budget and

whether the \$15 million appropriation was accurate. He thought it seemed quite high. Schmiedicke said the actual spending of the money has not been determined yet.

4. After the presentation, Chairman Rakowski asked about the UW Madison Authority funding in the biennial budget. Schmiedicke explained how it would work. The chair also asked about state agency salary data and Schmiedicke said he could get that information for the Commission. Mr. Cherchian asked about whether local units of government are required to calculate future liabilities. Schmiedicke said some do that through CAFR's. Mr. Cherchian would like to move in that direction to increase transparency.
5. Chairman Rakowski presented the submitted public comments from the Governor's Commission webpage and told the members to contact the Governor's staff with any comments.
6. Commission members discussed future topics and meetings. Deputy Archer suggested having the Audit Bureau testify on some of their major audits at the next meeting. Also, to have the departments examined by the audits to be there to answer questions. The Chairman and Mr. Cherchian agreed to that and also agreed to set April 1, 2011 at 10am for the next meeting.
7. Chairman Rakowski adjourned the meeting.